HEAVY EQUIPMENT VALUATION INSTRUCTIONS

To determine the market value for heavy equipment, use the methods listed below. **The methods should be used in a sequential order (1 before 2, 2 before 3, and 3 before 4).**

1. Use the "quick sale" value as shown in the current Green Guide.

   Example #1: A taxpayer owns a 1997 Wheel Loader. The make is a Caterpillar IT and the model is a 14G. The "quick sale" as found in the Green Guide is $29,000.

   28,250 market value
   28,250 x 3% = 848 taxable value
   This is BEVS method # 1.

2. Apply the percentages listed on the depreciation schedule to the original F.O.B. (factory price) as determined through old guidebooks. The percentage to be used will be determined by the year the heavy equipment was new.

   Example #2: A taxpayer owns a 1961 wheel loader. The make is a "Hough" and the model is a H50. Your current book does not show a "quick sale" for any year, but by looking through old guidebooks, you determine that the original F.O.B. for that year was $15,235.

   15,235 x 23% = 3,504 market value
   3,504 x 3% = 105 taxable value
   This is BEVS method #3.

3. Apply the percentage on the depreciation schedule to the trended F.O.B. (factory price) as determined by the new cost factor chart for heavy equipment. The percentage to be used will be determined by the year the heavy equipment was new.

   Example #3: A taxpayer owns a 1958 crawler tractor. The make is a Case and the model is a 750. Your current book does not show a "quick sale" for any year and you cannot find a F.O.B. for that year. You can, however, find a F.O.B. for a 1967 Case 750 and it is $13,979. The factor from the new cost factor chart for heavy equipment would be .83.

   13,979 x 83% = 11,603 trended F.O.B.
   11,603 x 23% = 2,669 market value
   2,669 x 3% = 80 taxable value
   This is BEVS method #4.

4. Use the New Cost Factor Chart (PPBA-19, Heavy Equipment) to trend down the "quick sale" value of equipment whose same make and model is listed in the current Green Guide but whose year is no longer listed.

   You may use this method in place of method (2) or (3) only if those methods result in a higher value being placed on a piece of equipment than the last year listed in the current Green Guide for that same make and model.

   Example #4: The taxpayer owns a 1982 Caterpillar 660 motor scraper. There is no current value listed but you find a "quick sale" listed for a 1983 Cat. Model 660.

   16,000 "quick sale" for 1983 Cat. Model 660
   16,000 x .98 = 15,680 trended quick sale/market value
   15,680 x 3% = 470 taxable value
   This is BEVS method #2.

5. Apply the percentages on the depreciation schedule to the acquired cost. The percentage to be used will be determined by the year acquired.

   Example #5: A taxpayer owns a 1988 ditcher. The make is Ditch-Witch and the model is 942. The taxpayer acquired the ditcher in 1990 for $11,500.

   11,500 x 24% = 2,760 market value
   2,760 x 3% = 83 taxable value
   This is BEVS method #5.

Heavy equipment includes but is not limited to the following: wheel loaders, crawler loaders, wheel tractors, crawler tractors, motor scrapers, motor graders, crawler cranes, truck cranes, hydraulic excavators, hydraulic cranes, mechanical excavators, air equipment, asphalt finishers, crushing equipment, ditchers, log skidders, log loading equipment, pumps, rollers, wheel excavators, tower cranes, buckets, pile driving equipment, belt loaders, concrete equipment, sweepers and brooms, motors and generators, road maintenance equipment, water well drilling equipment, draglines, skid steer loaders, backhoes, lift trucks, coal and ore haulers, off-highway hauling units, mobile asphalt equipment and all other miscellaneous special mobile equipment.

HEAVY EQUIPMENT DEPRECIATION SCHEDULE
(BEVS - SCREEN 6)

This schedule is to be used from January 1, 2007, through December 31, 2007, (reference ARM 42.21.131).

YEAR	TRENDED % GOOD
2007	80%
2006	65%
2005	58%
2004	54%
2003	49%
2002	44%
2001	40%
2000	36%
1999	32%
1998	31%
1997	29%
1996	28%
1995	27%
1994	26%
1993	26%
1992	25%
1991	24%
1990	24%
1989	23%
1988	23%

Property Type	Class Code	Property Class	Taxable Percentage
Heavy Equipment	6511	8	3%

SPECIAL INSTRUCTIONS FOR LOG LOADING EQUIPMENT

1. Use the methods as listed for heavy equipment.

2. If a log loading unit is qualified for a SM plate, and the equipment cannot be located in the "Green Guides", use the total acquired cost and acquired year and apply the percentage listed on the heavy equipment schedule based on the acquired year.

Example: The taxpayer comes in to pay the taxes on a truck and log loader that are qualified for a SM plate. The truck is a 1984 Peterbilt and the year new of the log loader is 1980. The log loader is not listed in any Green Guide. He also reported that he acquired the truck and loader in 1984 for the package price of $86,000.

Acquired Cost - $86,000 x 23% = $19,780 market value

19,780 x 3% = 593 taxable value

Reference: 61-1-101(59), MCA – Special Mobile Equipment
61-3-431 MCA – Special Mobile Equipment (registration, etc.)

61-1-101. Definitions. As used in this title, unless the context indicates otherwise, the following definitions apply:
(59) "Special mobile equipment" **<u>means a vehicle not designed for the transportation of persons or property on the highways</u>** but incidentally operated or moved over the highways, including road construction or maintenance machinery, ditch-digging apparatus, and well-boring apparatus. The fact that equipment is permanently attached to a vehicle does not make the vehicle special mobile equipment. The enumeration in this subsection is partial and does not exclude other vehicles that are within the general terms of this subsection.